

2020

Travis County Auditor's Office Review of Travis County Sheriff's Office Forfeited Property Accounts

**Travis County Auditor's Office
Risk Evaluation and
Consulting Division**

June 9, 2021

TRAVIS COUNTY
AUDITOR'S OFFICE

PATTI SMITH, CPA
COUNTY AUDITOR



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To: Sally Hernandez
Travis County Sheriff

From: Patti Smith, CPA
Travis County Auditor

Date: June 9, 2021

Subject: Forfeited Property Account examination

Scheduled as part of our statutory requirements, the Risk Evaluation and Consulting Division (REC) of the Travis County Auditor's Office has completed an examination of the Forfeited Property Accounts (FPA) maintained by the Travis County Sheriff's Office. We conducted our examination in accordance with the applicable statutes governing the County Auditor's Office and those relating to County financial and accounting protocols. As a result of our examination, we are providing this report detailing our findings and recommendations.

BACKGROUND

The Sheriff's Office serves as the primary law enforcement agency for the County, with jurisdiction on civil and criminal cases. In some of these cases, assets are seized from accused parties. These assets are held in escrow until the case is settled. Depending on the ruling in the case, the Sheriff's Office may receive a portion of these seized funds under the applicable state and federal forfeited property laws or interlocal agreements. The Sheriff's Office may use these funds (under certain restrictions) in future efforts to investigate criminal activity.

EXAMINATION METHODOLOGY

Our work was based on applying sampling procedures to office records and on verbal and written representations from the Sheriff's Office. Sampling relates to examining, on a test basis, evidence supporting the amounts and disclosures in the financial records and statements. The use of sampling techniques would not necessarily disclose all matters in the forfeited property's financial statements, records, and controls that might signify material weaknesses or misstatements. Regarding the written and verbal representations made by the Sheriff's Office, unless otherwise

noted in this report, Office management maintains that the assertions we relied upon in the examination were correct to the best of their knowledge.

SCOPE OF EXAMINATION

This examination included an assessment of the adequacy and effectiveness of the overall system of financial controls in place for the District Attorney's Forfeited Property Accounts during the period October 1, 2019 to September 30, 2020. The scope of this examination included a review of the overall internal controls in place with respect to compliance with state guidelines, and deposits and disbursements of forfeited funds, including any accrued interest.

SUMMARY OF FINDINGS

No significant findings noted.

ATTACHMENTS

Attachment A: Copies of financial statements for the Sheriff's FPA accounts for September 30, 2020, are provided in Attachment A. These statements include a detailed statement of revenues, expenditures and changes in fund balance, and a balance sheet for the forfeited property account. In addition, a statement of fiduciary assets and liabilities for the escrow account is included in the attachment. The express purpose of presenting these statements is to provide feedback to Travis County officials. These financial statements have been audited by Travis County's external auditors in conjunction with the County's primary, annual external audit.

EXAMINATION TEAM

Angel Candelario, Senior Auditor
Amanda Muehlberg, CPA, Staff Auditor
Tracey Powers, Staff Auditor

CLOSING

This report is intended solely for the information and use of your office and the Commissioners Court. We greatly appreciate the cooperation and assistance received from the management and staff of the Travis County Sheriff's Office during this examination. Please contact us if you have any questions or concerns regarding this report.

DocuSigned by:

David Jungerman

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David Jungerman, CIA
Chief Assistant County Auditor II
Risk Evaluation & Consulting Division

DocuSigned by:

Patti Smith

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Patti Smith, CPA
Travis County Auditor

REPORT DISTRIBUTION

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Travis County Executives
Managers, Travis County Auditor's Office
Examination File

ATTACHMENT A – FINANCIAL STATEMENTS

Travis County Sheriff's Office
Forfeited Property Escrow Account
Statement of Fiduciary Assets and Liabilities
Balance Sheet
September 30, 2020

Assets

Cash	\$ 224,679
	<hr/>
Total assets	224,679
	<hr/>

Liabilities

Other liabilities	224,679
	<hr/>
Total liabilities	224,679
	<hr/>
Net Assets	\$ -
	<hr/> <hr/>

NOTE: The express purpose of presenting this financial statement and the appropriate findings is to comply with applicable local government code statutes and to provide internal control feedback to Travis County officials. This statement was reviewed by the County's external auditors during the County's overall annual audit.

**Travis County Sheriff's Office
Forfeited Property Account
Special Revenue Fund
Balance Sheet
September 30, 2020**

<u>Assets</u>	
Cash	\$ 71,780
Other receivables	-
	<hr/>
Total assets	<u><u>\$ 71,780</u></u>
Liabilities and Fund Balance	
Liabilities:	
Due to other funds	\$ -
Other liabilities	-
	<hr/>
Total liabilities	<hr/> -
Fund balance:	
Reserved for encumbrances	-
Undesignated	-
	<hr/>
Total fund balances	<hr/> 71,780
Total liabilities and fund balances	<u><u>\$ 71,780</u></u>

NOTE: The express purpose of presenting this financial statement and the appropriate findings is to comply with applicable local government code statutes and to provide internal control feedback to Travis County officials. This statement was reviewed by the County's external auditors during the County's overall annual audit.

**Travis County Sheriff's Office
Forfeited Property Account
Special Revenue Fund
Detailed Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended September 30, 2020**

Revenues:

Fines and forfeits	\$ 61,331
Interest income	207
Other income	-
	<hr/>
Total revenues	<hr/> 61,538 <hr/>

Expenditures:

Current:

Justice system:

Personnel Costs	-
Supplies	30,847
Other Charges	34,853
	<hr/>
Total expenditures	<hr/> 65,700 <hr/>

Excess (deficiency) of revenues over expenditures	<hr/> (4,162) <hr/>
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Other financing sources (uses):

Transfers in	-
Transfers out	-
	<hr/>

Total other financing sources (uses)	<hr/> - <hr/>
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Net change in fund balance	(4,162)
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Fund balance - beginning of year	<hr/> 75,942 <hr/>
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Fund balance - end of year	<hr/> <hr/> \$ 71,780 <hr/> <hr/>
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NOTE: The express purpose of presenting this financial statement and the appropriate findings is to comply with applicable local government code statutes and to provide internal control feedback to Travis County officials. This statement was reviewed by the County's external auditors during the County's overall annual audit.